

### **REMARKS**

This responds to the Final Office Action mailed on November 23, 2007.

Claims 1-17, 23, 31, 40 and 49 are canceled leaving claims 18-22, 24-30, 32-39, 40-48 and 50-52 pending in this application.

#### **§103 Rejection of the Claims**

Claims 18-19, 21-22, 24, 26-27, 29-30, 32-33, 35-36, 38-39, 41-42, 44-45, 47-48 and 50-51 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston (U.S. 5,845,265) in view of Brown (U.S. 5,794,219) and Fraser et al. (U.S. 5,329,589; hereinafter “Fraser”).

The Applicants have carefully reviewed the Final Office Action’s rejection and respectfully submit that the claims overcome the rejections. The Applicants will explain below that the Office Action incorrectly determines the differences between the claimed invention and the prior art, leading to a flawed conclusion of obviousness.

The applicable law recites that obviousness is a question of law based on underlying factual inquiries. The factual inquiries enunciated by the Supreme Court are: determining the scope and content of the prior art; resolving the level of ordinary skill in the pertinent art; and ascertaining the differences between the claimed invention and the prior art.<sup>1</sup>

The M.P.E.P. provides that in an obviousness determination under 35 U.S.C. 103, an Office representative must step backward in time and into the shoes worn by the hypothetical “person of ordinary skill in the art” when the invention was unknown and just before it was made. In view of all factual information, the Office representative must then make a determination whether the claimed invention “as a whole” would have been obvious at that time to that person.<sup>2</sup>

The Federal Circuit has stated that “[r]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”<sup>3</sup>

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<sup>1</sup> Graham v. John Deere Co., 383 U.S. 1 (1966)

<sup>2</sup> M.P.E.P. 2142

<sup>3</sup> In re Kahn, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)

Claim 18 is used representatively to explain the reasons that claims 18, 26, 35 and 44 overcome the Office Actions § 103 rejections.

Limitations of claim 3 include the following:

*a bid validation means for examining and validating a characteristic of the bid during and prior to a close of the auction, wherein the characteristic is a bid format*

The Office Action admits that Woolston does not explicitly teach the above limitations but states that Brown/Fraser do teach the limitations.

The cited portion of Brown recites the following:

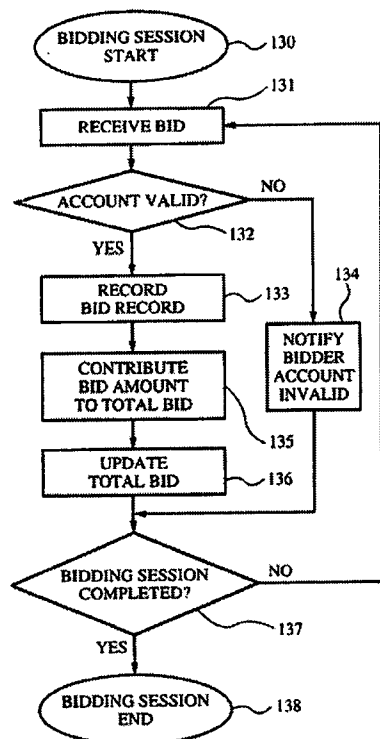
*Upon receiving the new account information, account company 26 verifies bidder name 44, financial account number 46, and financial account of bidder 38. After successful verification, account creation computer 28 generates bidder identification number 50 for bidder 38. Referring to FIG. 2, account creation computer 28 then generates new account confirmation message 34 on mail server E2 and sends message 34 to mail client E3 of remote computer 30. Bidder 38 then receives new account confirmation message 34 on mail client E3, step 122. Bidder 38 confirms his new account information by pressing button 58 of new account confirmation message 34, step 23.*

(Brown, column 7, lines 19-31)

The cited portion of Brown fails to teach or suggest “**examining and validating a characteristic of the bid**” as claimed in claim 18 and rather recites verification of certain information as part of an account creation process. Note

that the various operations in the cited portion of Brown are performed by an “account creation computer 28”, which generates a “new account confirmation message”. The account information that is verified relates to a bidder (i.e., a user of the system) and is clearly not a “bid”. The verification of account creation information is simply very different from examining and validating a characteristic of a bid during and prior to close of auction, wherein the characteristic is a bid format.

At column 7, lines 45-59, Brown describes that bid information is what is entered into Brown’s bid entry form (line 58).



**FIG. 9**

In its rejection of claims 21, 29, 38 and 47 the

Office Action refers to FIGS. 5, 6 and 9 of Brown.

Although Brown may show various entry values in FIGS. 5 and 6, Brown outright fails to teach or suggest “**examining and validating a characteristic of the bid.**” There is no indication of any “validating” in FIGS. 5 and 6, much less “**examining and validating a characteristic of the bid**”

For the Office to read those limitations into Brown 18 would clearly be to incorporate limitations based on hindsight. As stated by the Court of Appeals for the Federal Circuit, “[a] factfinder should be aware of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning.” (KSR Int’l Co. v. Teleflex Inc., 127 S. Ct. 1727, 1742 (2007) (citing Graham v. John Deere Co of Kansas City, 383, U.S. 1, 36)).

FIG. 9 is reproduced herein and used to distinguish Brown from claim 18. Attention may be directed to

decision block 132, which asks whether an account associated with a bid is valid.

The description of block 132 in Brown is as follows:

*Central computer 18 receives bid entry form 76 entered from remote computer 30. Step 131. Central computer 18 then queries bidder database to verify that bidder name and bidder identification number 50 received on bid entry form 76 **match** an existing registration record 42. The query results indicate if bidder 38 has a valid bidder account 40 step 132. (Emphasis added).*  
(Brown, column 7, lines 60-66)

In contrast to “**examining and validating a characteristic of the bid... wherein the characteristic is a bid format**” Brown merely describes verifying a “**match**” between bidder name/bidder identification number and “an existing registration record.” (column 7, lines 62-64). Verifying such a match is very different from examining and validating the format of a bid. For example and not limitation, Brown does not disclose the distinct detail of ensuring that the bidder name is validly formatted.

For at least the reasons explained above, Brown fails to teach or suggest “*examining and validating a characteristic of the bid during and prior to a close of the auction, wherein the characteristic is a bid format.*”

The cited portion of Fraser includes the following:

*Customers could make bids. **The communications system would validate the bids and provide them to the auctioneer, who would know only the mounts, and not the identities of the bidders. The communications system could then indicate to each participant the current highest bid and solicit new bids until the a single highest bid remained. In some embodiments, the communications system itself might play the role of auctioneer. In such an embodiment, the transaction manager would keep track of the current highest bid, would inform the participants of that bid, and***

*when bidding had ceased, would complete the transaction with the highest bidder.*

(Fraser, column 14, lines 16-28)

The Applicants respectfully submit that Fraser's mere mention of the word "validate" fails to teach or suggest **"examining and validating a characteristic of the bid... wherein the characteristic is a bid format."** There is no description of what Fraser's contemplates being required to validate a bid. The fact that a "communications system" validates the bid perhaps indicates that the validation relates to a successful communication of the bid. Certainly, there are different types of validation and Fraser has not disclosed the validation of the format of the bid, as required by claim 18. To attribute the above features to Fraser is clearly impermissible hindsight

For at least the reasons explained above, Fraser fails to teach or suggest *"examining and validating a characteristic of the bid during and prior to a close of the auction, wherein the characteristic is a bid format."*

The Office Action concludes that "[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to modify Woolston to valid bid formats as taught by Brown/Fraser. One would have been motivated to do so in order to ensure that information in the bid is valid."

For the reasons explained above, the Final Office Action bases its conclusion on an incorrect determination of the scope of content of the cited documents and/or the differences between the combination and the limitations of claim 18. Consequently, the Office Action fails to provide an "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness."<sup>4</sup>

In sum, the Applicants respectfully submit that claims 18, 26, 35 and 44 overcome the Office Action's § 103 rejections. Claims 19-22 and 24-25; 27-30 and 32-34; 36-39 and 41-43; and 45-48 and 50-52 respectively depend from claim 18, 26, 35 and 44 and overcome the rejections for at least the same reasons.

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<sup>4</sup> In re Kahn, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)

**Reservation of Rights**

In the interest of clarity and brevity, Applicant may not have equally addressed every assertion made in the Office Action, however, this does not constitute any admission or acquiescence. Applicant reserves all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicant does not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicant timely objects to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicant reserves all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

**CONCLUSION**


Applicant respectfully submits that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney Andre Marais at 408-278-4042 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,


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Date 05/23/08

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS, Web, and is addressed to: Mail Stop RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 23 day of May, 2008.

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